

FTA Section 5311

Grant Application Program Information

Contact Person: Darrel M. Feasel, CTPA
Department of Rail and Public Transportation
P.O. Box 590
1313 East Main Street, Suite 300
Richmond, Virginia 23218-0590
Telephone: (804) 786-8089
Email: darrel.feasel@drpt.virginia.gov



<http://www.drpt.virginia.gov>
<https://olga.drpt.virginia.gov>

GENERAL PROGRAM INFORMATION

The following question and answer section presents an overview of the Commonwealth's FTA 49 USC § 5311 Program.

What is the FTA 49 USC § 5311 Program?

Since 1979, the Federal Transit Administration (FTA) of the U.S. Department of Transportation has made funds available for grants to support public transportation programs in non-urbanized areas. This grant program, like most FTA programs, is named for the section of the Federal Transit Laws under which it was created 49 USC § 5311. Under this program, funds are distributed to states on the basis of their non-urbanized area population.

What is the purpose of the Program?

Federal regulations state that the goal of this program is: "To enhance access of people in non-urbanized areas for purposes such as shopping, education, recreation, public services, and employment by encouraging the maintenance, development, improvement, and use of passenger transportation systems."

What does the Program do?

Under this program, grants are awarded to support 80 percent of the costs of capital improvements for public transportation and 50 percent of the net operating expenses (after subtracting revenues).

Who can apply for these grants?

Any city, county, town, transportation district commission, public service corporation, or private nonprofit corporation that operates a public transportation system in a non-urbanized area of Virginia may apply for a grant under this program. Private for-profit providers of service may be supported with 49 USC § 5311 funds through purchase of service agreements with eligible applicants.

How and when do you apply for these grants?

Each year in December, the Department of Rail and Public Transportation (DRPT) requests applications for state and federal aid to public transportation for the coming fiscal year. Applications must be submitted to DRPT no later than February 1, 2007. Requests for grants under this program are made under the procedures outlined in Part 2 of this document. Expenses for the time period October 1, 2006, to September 30, 2007, will be eligible for FY 2008 grants.

Why do you apply to DRPT for a FTA grant?

In Virginia, the Governor has designated the Department of Rail and Public Transportation as the state agency responsible for administering the FTA 49 USC § 5311 funds. The Department of Rail and Public Transportation also has the day-to-day responsibility for the administration of the program.

How is “public transportation” defined?

Public transportation is defined as mass transportation by bus, rail or other conveyance, either publicly or privately owned, which provides transportation services to the general public on a regular and continuing basis. Charter or sightseeing or exclusive school bus transportation is not included in this definition. Additionally, the applicant must adhere to the following guidelines:

1. The applicant must publish its routes and schedules which are open to the general public as well as any significant changes which may be made in the routes and schedules;
2. The applicant must post its routes and schedules in public places; and
3. The applicant's vehicle must be clearly marked in a manner, which identifies their availability for public transportation service.

Are there restrictions under the program?

Only equipment that will be used to support public transportation services may be purchased under this program. Likewise, the direct operating expenses of public transportation services are eligible for reimbursement.

Are there special requirements for human service agency applicants?

Yes, at a minimum any applicant who receives 49 USC § 5311 funds must demonstrate that 20 percent of their total ridership is comprised of public riders.

Additionally, any applicant providing human service agency contact service must demonstrate that all direct operating costs for any contract service are being met without the use of 49 USC § 5311 funds. The only exception to this requirement is that transportation related administrative costs, which further the coordination of public transportation services may be, supported with 49 USC § 5311 funds. Applicants must document how these administrative expenses further the coordination and provision of public transportation.

Exactly what type of expenses can be supported under the program?

All project expenses fall into one of three categories: operating expenses, administrative expenses and capital expenses.

Eligible operating expenses include items such as fuel, oil, replacement tires, replacement parts, maintenance and repairs, driver and mechanic salaries and fringe benefits, dispatcher salaries and fringe benefits, and licenses. Eligible administrative expenses include items such as transit manager's salary, secretary and bookkeeper salaries, marketing expenses, office supplies, vehicle insurance, and facility and equipment rental.

Net operating expenses are those expenses that remain after operating revenues are subtracted from eligible operating expenses. At a minimum, operating revenues must include farebox revenues. Operating revenues are all revenues accrued to the benefit of the project including farebox revenue (passenger fares), charter service, and contract revenues. Farebox revenues include fares paid by passengers who are later reimbursed by a human service agency, or other user-side subsidy arrangements, but do not include payments made directly to the transit provider by human service agencies.

Eligible capital expenses include items such as buses, vans, associated capital maintenance items, communications equipment, construction or rehabilitation of transit facilities.

What are the Federal/Local match requirements?

49 USC § 5311 funds may be requested to finance up to 50 percent of the net operating expenses (deficit) incurred by public transportation providers in non-urbanized areas. In addition, funds may be requested to finance up to 50 percent of administrative costs and up to 80 percent of capital project costs. Fifty percent of the required local match for operating expenses may be comprised of unrestricted Federal funds from other sources. Unrestricted Federal monies available from other sources to the 49 USC § 5311 program may be used to finance 25 percent of the net operating expenses (deficit). Similarly, if state funds are not received, half of the nonfederal share of non-operating expenses (10 percent of capital and 25 percent of administrative expenses) may be comprised of unrestricted Federal funds. If state funds are received, the entire local share of a capital project must be comprised of local cash and an amount equal to the level of state administrative assistance must be comprised of local cash or in-kind services.

Can human service agency contract income be used to match 49 USC § 5311 funds?

Yes, contract income may be used as local match provided that the applicant demonstrates that **ALL** direct operating expenses for its human service contract are recovered without the use of 49 USC § 5311 funds.

A 49 USC § 5311 applicant may use excess contract revenue from its human service contract service to match 49 USC § 5311 funds. Excess contract revenue is any revenue received from contract service that exceeds the amount required to recover all direct operating expenses of human service contract service.

Payments made directly to 49 USC § 5311 recipients by human service agencies for the provision of transportation service will be used to offset the operational expenses of providing the public transportation service.

Special Requirements for Operators of Client Transportation

Applicants who propose to engage in both public transportation services and human service agency client transportation services are advised of the following DRPT guidelines:

- ***General Public Riders*** are defined as those transit users who no agency or client affiliation and for whom no other source of transportation assistance is currently available.

- ***Contract or Agency Riders*** are defined as transit users who are using the transportation system as a result of specific agency affiliation and whom there are some form of transportation assistance. Specific examples of contract riders are nutrition program clients, mental health and mental retardation clients, Medicaid recipients, sheltered workshops, etc.
- ***Ridership Mix*** is defined as the breakdown of a transit property's patronage by fare payment classification during the grant contract period. At a minimum, this breakdown will be between public and contract/agency riders.

Recipients of funds are encouraged to coordinate their transportation services with other public transportation operators, private-for-profit operators, and human service agencies located or operating within their service areas and they are encouraged to provide transportation services to human service agencies under purchase of service contracts. The contract service is not public transportation and funds shall not be used to support the direct operating costs of transportation services provided under purchase of service contracts between the recipient and human service agencies.

All current and prospective applicants must understand the principal requirement related to this issue. Fees charged for transportation services provided by the grant recipient under contract with human service agencies should be sufficient to recover all direct operating costs of such services. This requirement sets a minimum fee to be charged that can be exceeded.